

The \$15 billion bailout loan for Detroit automakers that the House passed Wednesday is still far from a done deal as a collection of Senate Republicans is raising roadblocks to the taxpayer-funded handout brokered by Democrats and the White House. "These rescue loans are necessary - not to reward ...

The \$15 billion bailout loan for Detroit automakers that the House passed Wednesday is still far from a done deal as a collection of Senate Republicans is raising roadblocks to the taxpayer-funded handout brokered by Democrats and the White House.

"These rescue loans are necessary - not to reward bad decision-making in Detroit, but to protect 3 million American jobs, 3 million livelihoods; 3 million families depend on the automakers," House Majority Leader Steny H. Hoyer, Maryland Democrat, said during floor debate. "Are we really willing to put those workers at risk in this deep recession, after a month in which our country just lost 533,000 more jobs?"

Senate Minority Leader Mitch McConnell of Kentucky did not threaten a Republican filibuster but said many members voiced concerns about the plan.

"I haven't made a final decision that I've announced myself with regard to the proposal that's been negotiated," Mr. McConnell told reporters after a closed-door policy luncheon where Bush administration officials tried to sell Republicans on the deal.

The measure did not appear to have enough Republican support to survive in the Senate, which remains narrowly divided between the parties so that bipartisan support is critical to achieve the 60 votes required to advance most legislation.

Members of Congress suffered fierce criticism back home for the \$700 billion Wall Street rescue and potentially face more constituent outrage for backing another bailout, especially in conservative states where the auto industry is not predominant.

Lawmakers on both sides of the aisle agreed that the failing car companies need help but disagreed on whether a federal bailout was the best remedy for the auto industry's ills.

The public also is split on the issue. A Gallup Poll this week showed that 51 percent of Americans oppose the bailout and 43 percent support it, though support spiked to 52 percent when pollsters added that one of the Big Three would go bankrupt without the aid.

The House passed the bailout by a vote of 237-170, with 205 Democrats and 32 Republicans supporting the measure. Casting votes against the measure were 20 Democrats and 150 Republicans. One Republican, **Rep. John Campbell** of California, voted present.

The Bush administration said it would continue to work to convince senators that the bill will spur desperately needed restructuring of the U.S. auto industry while providing ample protection of taxpayer dollars.

"Many Republicans and Democrats agree that a disorderly bankruptcy could be fatal to U.S. automakers and have devastating impacts on jobs, families and our economy," White House spokeswoman Dana Perino said.

Under the bill, President Bush would appoint a so-called "car czar" to oversee the bailout loan and who will have power to impose a restructuring plan on the automakers if the companies, their creditors and autoworker unions do not agree to a comprehensive business reorganization.

The bill would give the government the right to take an equity stake in the companies to help safeguard taxpayer money and would impose restrictions on management, including limits on

executive pay and prohibitions on paying shareholder dividends and expensive severance packages, or "golden parachutes," for company bosses.

In a concession by Democrats, the money will come out of a previously approved \$25 billion in federal loan guarantees that were intended to help the Big Three build more fuel-efficient cars. But the bailout deal includes requirements for production of cars with higher fuel efficiency and reduced emissions.

Several Republican senators said the bailout funds likely would be lost when General Motors Corp. or Chrysler LLC goes under at a later date. Some members called for the companies to seek bankruptcy protection to reorganize their businesses.

Ford Motor Co., which is the healthiest of the Big Three, is not included in the federal emergency loan. The company has asked for access to a line of credit in case its finances worsen next year.

Sen. John Ensign, Nevada Republican, questioned whether the government should be involved in company business decisions.

"When GM, Ford, Chrysler, their management teams have not been able to run their companies, obviously, very well, how does anybody expect some car czar or some politician to be able to make the decisions that are right from a business standpoint for these car companies?" he said.

Sen. Richard C. Shelby, Alabama Republican, said the federal loan to the car companies was "only delaying their funeral."

The ranking Republican on the Senate Finance Committee came out against a provision tucked into a draft of the bailout bill he said would bring back to life a tax shelter for public transit agencies that made risky deals with corporations.

"It's wrong for this auto bailout legislation to reward or bail out transit agencies for participating in these tax shelters," said Sen. Charles E. Grassley of Iowa, who helped nix the tax shelter when he was chairman of the committee in 2004. "Whoever's behind it ought to raise their ugly head and justify it because I don't think it's right."

Senate Finance Committee Chairman Max Baucus, Montana Democrat, also said the provision "must be stripped from the auto bill."

It remained uncertain Wednesday night whether the provision was part of the House-passed bill or whether it would cost the measure crucial votes in the Senate.